


## Memorandum

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To: DIRECTOR  
CHIEF DEPUTY DIRECTOR  
DEPUTY DIRECTORS  
DISTRICT DIRECTORS  
DIVISION CHIEFS  
PROGRAM MANAGERS

Date: April 11, 2013

From:   
STEVEN KECK  
Chief  
Division of Budgets

Subject: **2013-14 California Transportation Financing Package**

The California Transportation Financing Package is prepared annually and distributed by the Department of Transportation (Caltrans). The package summarizes the source and distribution of transportation funds at the state level from the 2013-14 Governor's Proposed Budget, including funding from the issuance of bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

The details are presented in the attached "California Transportation Financing Summary" and in the following charts:

- Chart A - "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
- Chart B - "Statutory Allocation of Transportation Funding"
- Chart C - "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
- Chart D - "Distribution of California Sales Tax Revenue"
- Chart E - "Motor Vehicle License Fee Distribution"
- Chart F - "Chart of Transportation Revenues"

Attachments

## **CALIFORNIA TRANSPORTATION FINANCING SUMMARY FISCAL YEAR 2013-14**

In January of each year, the Governor presents a proposed budget to the Legislature that contains the Administration's estimate of available revenue and a recommended expenditure plan. The California Transportation Financing package for Fiscal Year 2013-14 outlines and charts the flow of the state's transportation resources based on the Governor's proposed budget of January 2013.

The 2013-14 Governor's Budget proposes a \$12.8 billion budget for the Department of Transportation (Caltrans). The package illustrates the flow of specific dollars from collection to distribution and includes transportation funding financed by the issuance of general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act). Any changes made during the legislative process are not reflected in the proposed budget.

Highlights to the 2013-14 proposed budget:

- **Active Transportation Program**

- The Budget proposes a shift of \$134.2 million in state and federal funds and a reduction of three positions to consolidate five existing programs (Transportation Alternative Program, Federal and State Safe Routes to School Programs, Environmental, Enhancement and Mitigation Fund, and the Bicycle Transportation Account) into a single Active Transportation Program (ATP) to fund bicycle, pedestrian, and mitigation projects that reduce greenhouse gas emissions consistent with the objectives of Chapter 728, Statutes of 2008 (SB 375), as well as provide safety benefits.

- **Zero Based Budget - Local Assistance Program**

- The Budget proposes a reduction of \$1.5 million and 20 positions associated with the implementation of various efficiency measures, including the establishment of staffing levels that are consistent across 12 district offices.

- **Zero Base Budget - Planning Program**

- The Budget proposes an increase of 10 positions to address additional workload and implement various efficiency measures, and an adjustment in the base budget for salary and benefits.

- **Transfer of \$946 million in weight fees from the State Highway Account (SHA) to transportation debt service. The SHA subsequently receives monthly backfill payments from excise taxes equal to the sum of debt service.**

Transportation revenue is generated from user taxes and fees, and is deposited in separate funds. Within the funds are several accounts that help facilitate the accounting of all receipts and expenditures. An overview of the fund and account activity planned for 2013-14 is provided in the following pages. The funds and accounts are:

**Transportation Tax Fund (TTF)**

- Highway Users Tax Account
- Motor Vehicle Fuel Account
- Motor Vehicle License Fee Account

**State Transportation Fund (STF)**

- Aeronautics Account
- Bicycle Transportation Account
- Local Airport Loan Account
- Local Transportation Loan Account
- Motor Vehicle Account
- Pedestrian Safety Account
- Public Transportation Account
- State Highway Account
- Transportation Financing Subaccount

**Other Funds**

- Environmental Enhancement and Mitigation Program Fund
- Historic Property Maintenance Fund
- Traffic Congestion Relief Fund
- Transportation Debt Service Fund
- Transportation Deferred Investment Fund
- Transportation Investment Fund

**Transportation Bond (Proposition 1B) - Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006**

- California Ports Infrastructure, Security, and Air Quality Improvement Account
- Corridor Mobility Improvement Account
- Trade Corridors Improvement Fund
- Transportation Facilities Account
- Public Transportation Modernization, Improvement and Service Enhancement Account
- State-Local Partnership Program Account
- Local Bridge Seismic Retrofit Account
- Highway-Railroad Crossing Safety Account
- Highway Safety, Rehabilitation, and Preservation Account
- Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account
- State Route 99 Account

**Transportation Bond (Proposition 1A) – High-Speed Passenger Train Bond Fund**



**TRANSPORTATION TAX FUND:****Motor Vehicle Fuel Account (0061)**

Monies from the Diesel Fuel Tax, and Motor Vehicle Fuel Taxes on gasoline and aviation fuel, are collected and deposited in the MVFA. The budget estimates that \$6,031,010,000 is available in the account for distribution by law in the following manner:

<b>Motor Vehicle Fuel Account</b>	
Agriculture Fund	\$77,309,000
Off-Highway Vehicle Trust Fund	61,226,000
Aeronautics Account	5,454,000
Harbors and Watercraft Revolving Fund	30,554,000
State Board of Equalization	27,240,000
State Controller's Office	4,320,000
Financial Information System for California	139,000
Department of Parks and Recreation	26,649,000
General Fund	109,752,000
Balance to Highway Users Tax Account	5,688,367,000
<b>Total</b>	<b>\$6,031,010,000</b>

**Highway Users Tax Account (0062)**

The Highway Users Tax Account (HUTA) receives transfers from the Motor Vehicle Fuel Account (MVFA) consisting of the net revenue of diesel, gasoline and aviation fuel taxes. The proposed budget estimates that \$5,688,367,000 is available in the HUTA for distribution in the following manner:

<b>Highway Users Tax Account</b>	
Cities and Counties	\$1,379,420,000
Counties	299,210,000
Cities	193,348,000
Bicycle Transportation Account	0
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,537,000
Financial Information System for California	7,000
Balance to State Highway Account	3,811,445,000
Accumulated Balance	0
<b>Total</b>	<b>\$5,688,367,000</b>

**Motor Vehicle License Fee Account (0064)**

The Motor Vehicle License fees and trailer coach in-lieu fees are collected and deposited in the Motor Vehicle License Fee Account (see Chart E). The fees are based on 1.65 percent of market value as determined by the Department of Motor Vehicles. One percent is diverted to the General Fund. The proposed budget estimates that \$489,935,000 is available in the account for distribution as follows:

<b>Motor Vehicle License Fee Account</b>	
Franchise Tax Board	\$5,717,000
Department of Motor Vehicles	16,716,000
Local Revenue Fund 2011	467,290,000
State Controller's Office	17,000
Financial Information System for California	110,000
Accumulated Balance	85,000
<b>Total</b>	<b>\$489,935,000</b>

**STATE TRANSPORTATION FUND:****Aeronautics Account (0041)**

Excise taxes attributable to jet fuel and the distribution of motor vehicle fuel for use in propelling aircraft are transferred from the MVFA in the Transportation Tax Fund to the Aeronautics Account. Funding from the Aeronautics Account provides for grants to qualifying airports, acquisition and development, and state dollars to local agencies to match federal funds for airport improvements. The proposed budget estimates that \$7,416,000 is available for distribution as follows:

<b>Aeronautics Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$3,663,000	\$436,000	\$4,099,000
Local Assistance	2,000,000	-	2,000,000
Public Transportation Account	30,000	-	30,000
Accumulated Balance	1,287,000	-	1,287,000
<b>Total</b>	<b>\$6,980,000</b>	<b>\$436,000</b>	<b>\$7,416,000</b>

**Bicycle Transportation Account (0045)**

The Bicycle Transportation Account (BTA) receives transfers from the HUTA in the Transportation Tax Fund to design and develop bicycle transit systems to achieve the functional commuting needs of employees, students, business people, and shoppers. The BTA is part of the Active Transportation Program (ATP) and is expected to be consolidated into a new ATP budget item. The proposed budget estimates that \$692,000 is available for distribution as follows:

<b>Bicycle Transportation Account</b>	
Local Assistance	\$55,000
Accumulated Balance	637,000
<b>Total</b>	<b>\$692,000</b>

**Local Airport Loan Account (0052)**

The Local Airport Loan Account is a subaccount of the Aeronautics Account. Monies deposited in the Local Airport Loan Account represent payments of principal and interest received on loans made by Caltrans to local agencies for acquisition, construction, improvement, maintenance, and operation of local airports. The accumulated balance of this fund is used for future loans to local agencies. The proposed budget estimates that \$17,058,000 is available for distribution as follows:

<b>Local Airport Loan Account</b>	
Local Assistance	\$1,450,000
Local Assistance (Loan Repayments)	-2,885,000
Accumulated Balance	18,493,000
<b>Total</b>	<b>\$17,058,000</b>

**Local Transportation Loan Account (2501)**

The Local Transportation Loan Account was created in 2002 for the management of federal funds for loans to local entities. Funds for transportation loans in the Federal Trust Fund are transferred to this account. The proposed budget estimates that \$4,018,000 is available for distribution as follows:

<b>Local Transportation Loan Account</b>	
Accumulated Balance	\$4,018,000
<b>Total</b>	<b>\$4,018,000</b>



**Motor Vehicle Account (0044)**

Motor vehicle registration, driver's license, and off-highway vehicle registration fees are collected and deposited in the Motor Vehicle Account. The proposed budget estimates that \$3,218,372,000 is available in the account to support the following:

<b>Motor Vehicle Account</b>	
General Fund	\$66,100,000
State Highway Account	300,000
Motor Vehicle License Fee Account	200,000
Environmental License Plate Fund	25,000
Other Transfers	24,000
Secretary for Transportation Agency	2,524,000
Department of Justice	25,528,000
Judicial Council	197,000
Franchise Tax Board	3,043,000
Air Resources Board	119,902,000
Department of Motor Vehicles	946,484,000
California Highway Patrol	1,778,634,000
Secretary of Environmental Protection	1,846,000
State Mandates	2,604,000
Energy Resources Conservation and Development Commission	141,000
Environmental Health Hazard Assessment	4,026,000
Department of Public Health	1,599,000
Department of Food and Agriculture	6,674,000
Prefunding Health & Dental Benefits for Annuitants	8,727,000
Financial Information System for California	12,680,000
Accumulated Balance	237,114,000
<b>Total</b>	<b>\$3,218,372,000</b>

**Pedestrian Safety Account (2500)**

Grants are provided to local agencies with high pedestrian injury or fatality rates to fund projects that increase safety, such as traffic calming measures, intersection safety improvements, and crosswalk construction or improvements. The proposed budget estimates that \$10,000 is available for distribution as follows:

<b>Pedestrian Safety Account</b>	
Accumulated Balance	\$10,000
<b>Total</b>	<b>\$10,000</b>

**Public Transportation Account (0046)**

Funds in the Public Transportation Account (PTA), a trust fund, may only be used for transportation planning and mass transportation purposes. Historically, the PTA revenues were derived primarily from the sales taxes on motor vehicle fuels, including diesel, sales tax on nine cents of the state excise tax on gasoline (Proposition 111), 20 percent of Proposition 42 revenues, and spillover per Revenue and Taxation Code Section 7102. Due to the passages of Assembly Bill ABX 6 (Chapter 11, Statutes of 2010), Senate Bill 70 (Chapter 9, Statutes of 2010), and Assembly Bill (AB) 105 (Chapter 6, Statutes of 2011), collectively known as the Fuel Tax Swap of 2010, the only remaining source of revenue for the PTA is the sales tax on diesel fuel. The passage of AB 105 also implemented a new sales tax on diesel of 2.17 percent in addition to the 4.75 percent sales tax for 2012-13. In response to the increase of sales tax on diesel fuel, the base excise tax on diesel (which is deposited into the SHA) was reduced to maintain overall revenue neutrality.

Additional resources are transferred from the SHA and Aeronautics Account into the PTA to pay for highway and airport planning activities. Prior to 2009-10, miscellaneous revenues that are not subject to Article XIX of the State Constitution were deposited into the PTA. From fiscal year 2010-11 through 2012-13, these revenues were diverted to the Transportation Debt Service Fund (TDSF) to offset General Fund debt service costs on specified general obligation transportation bonds. Commencing 2013-14 and beyond, the budget proposes to continue this offset permanently.

The accumulated balance in the table below represents cash available for future years, including commitments to existing projects. The adjustment for cash accounting of expenditures reflects the difference between prior year accruals and actual expenditures/revenues on year-end financial reports. The expenditures are displayed on a cash basis as opposed to the more common budgetary legal basis. Resources estimated at \$973,045,000 available in the PTA are proposed for distribution in the following manner: (shown on next page)



<b>Public Transportation Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$157,516,000	\$35,990,000	\$193,506,000
Local Assistance	57,336,000	131,301,000	188,637,000
Capital Outlay	30,813,000	13,574,000	44,387,000
Public Utilities Commission	5,434,000	-	5,434,000
Secretary for Transportation			
Agency	6,000		6,000
State Controller's Office	19,000	-	19,000
California Transportation			
Commission	1,403,000	-	1,403,000
University of California	980,000	-	980,000
State Transit Assistance			
(Local Assistance)	391,972,000	-	391,972,000
Adjustment for Cash			
Accounting of Expenditures			
(Local Assistance)	70,064,000	-	70,064,000
Adjustment for Cash			
Accounting of Expenditures			
(Capital Outlay)	37,787,000		37,787,000
Accumulated Balance	38,850,000	-	38,850,000
<b>Total</b>	<b>\$792,180,000</b>	<b>\$180,865,000</b>	<b>\$973,045,000</b>

#### **State Highway Account (0042)**

The State Highway Account (SHA) is the primary funding source for the state's highway transportation system. The two major sources of funding for the SHA are the balance of fuel taxes transferred from the HUTA and reimbursements from the Federal Trust Fund for federal-aid highway projects (see Chart A). The Weight Fee Swap diverted all weight fees to the TDSF and in return, the SHA receives monthly backfill payments from excise taxes equal to the sum of debt service and General Fund loan payments that were taken from the account.

Federal funds received by Caltrans come from federal fuel excise taxes that are deposited in the Federal Highway Trust Fund. The taxes are apportioned and allocated back to the state through the Federal Transportation Act and the federal budget. Each federal-aid highway project must be authorized in advance by the Federal Highway Administration, and federal funds must be obligated before the funds can flow back to the state. Once the authorization process and obligation of funds are completed, the state can recover federal reimbursements based on the monthly expenditures of federal-aid projects.

The accumulated balance in the table below represents cash available for future years, including commitments to existing construction projects. The adjustment for cash accounting of expenditures reflects the difference between prior year accruals and actual expenditures/revenues on year-end financial reports. The expenditures are displayed on a cash basis as opposed to the more common budgetary legal basis. Resources estimated at \$9,509,812,000 are available from all sources to support the following: (shown on next page)

<b>State Highway Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$2,512,999,000	\$799,689,000	\$3,312,688,000
Local Assistance	509,690,000	1,859,111,000	2,368,801,000
Capital Outlay	402,850,000	1,757,117,000	2,159,967,000
Unclassified	-	5,000,000	5,000,000
Public Transportation Account	25,046,000	-	25,046,000
Earthquake Risk Reduction Fund	1,000,000	-	1,000,000
Transportation Congestion Relief Fund	50,000,000	-	50,000,000
California Transportation Commission	805,000	-	805,000
California Highway Patrol	61,215,000	-	61,215,000
Department of Motor Vehicles	9,159,000	-	9,159,000
Department of Conservation	12,000	-	12,000
Financial Information System for California	21,423,000	-	21,423,000
General Fund	38,685,000	-	38,685,000
Public Utilities Commission	3,848,000	-	3,848,000
Transportation Debt Service Fund	974,353,000	-	974,353,000
Interest Payments to Federal Government	1,000,000	-	1,000,000
Prefunding Health & Dental Benefits for Annuitants	292,000	-	292,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	326,280,000	-	326,280,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	66,892,000	-	66,892,000
Return of ARRA advanced funds from various Bond Funds	-300,324,000	-	-300,324,000
Accumulated Balance	383,670,000	-	383,670,000
<b>Total</b>	<b>\$5,088,895,000</b>	<b>\$4,420,917,000</b>	<b>\$9,509,812,000</b>

#### **Transportation Financing Subaccount (6801)**

The Transportation Financing Subaccount was created to receive the deposit of proceeds from the sale of tax-exempt or taxable notes, known as Grant Anticipation Revenue Vehicles (GARVEEs). These notes are issued by the State Treasurer to finance selected large-scale federal transportation projects administered by Caltrans. The funds in the subaccount are continuously appropriated and available for use as directed by the California Transportation Commission (CTC). The proposed budget estimates that \$1,000 is available for distribution as follows:

<b>Transportation Financing Subaccount</b>	
Capital Outlay	\$0
Accumulated Balance	1,000
<b>Total</b>	<b>\$1,000</b>



## **OTHER FUNDS:**

### **Environmental Enhancement and Mitigation Program Fund (0183)**

The Environmental Enhancement and Mitigation (EEM) Program Fund was created to provide grants to local, state, federal, and non-profit entities, for environmental enhancement and mitigation projects which are directly or indirectly related to the environmental impact of modifying existing transportation facilities or for designing, constructing, or expanding new transportation facilities. The EEM is part of the ATP and is expected to be consolidated into a new ATP budget item. The proposed budget estimates that \$6,373,000 is available for distribution as follows:

<b>Environmental Enhancement and Mitigation Program Fund</b>	
Financial Information System for California	\$1,000
Accumulated Balance	6,372,000
<b>Total</b>	<b>\$6,373,000</b>

### **Historic Property Maintenance Fund (0365)**

The Historic Property Maintenance Fund provides funding for costs associated with the maintenance and operation of federally-designated or state historic properties that are owned by Caltrans and are located in a freeway right-of-way corridor. Revenues are derived from 50 percent of the rental receipts collected on these historic properties. The proposed budget estimates that \$2,229,000 is available for distribution as follows:

<b>Historic Property Maintenance Fund</b>	
State Operations	\$1,647,000
Financial Information System for California	8,000
Accumulated Balance	574,000
<b>Total</b>	<b>\$2,229,000</b>



**Traffic Congestion Relief Fund (3007)**

The Traffic Congestion Relief Fund (TCRF) provides funding for deferred maintenance on local streets and roads, and congestion relief projects. It provides additional transportation capacity in high growth areas of the state. The accumulated balance in the table below represents cash available for future years, including commitments to existing projects. The adjustment for cash accounting of expenditures reflects the difference between prior year accruals and actual expenditures/revenues on year-end financial reports. The expenditures are displayed on a cash basis as opposed to the more common budgetary legal basis. The proposed budget estimates that \$161,076,000 is available for distribution as follows:

<b>Traffic Congestion Relief Fund</b>	
State Operations	\$9,752,000
Local Assistance	40,000,000
Capital Outlay	38,142,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	-39,714,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	97,758,000
Accumulated Balance	15,138,000
<b>Total</b>	<b>\$161,076,000</b>

**Transportation Investment Fund (3008)**

Proposition 42, which passed in March 2002 and added Article XIXB to the California Constitution, made permanent the transfer of the sales tax on gasoline to the Transportation Investment Fund (TIF) for transportation purposes. However, with the elimination of sales tax on gasoline due to the Fuel Tax Swap of 2010, the revenue stream for the TIF was eliminated.

The adjustment for cash accounting of expenditures reflects the difference between prior year accruals and actual expenditures/revenues on year-end financial reports. The expenditures are displayed on a cash basis as opposed to the more common budgetary legal basis. The proposed budget estimates that \$43,941,000 is available for distribution as follows:

<b>Transportation Investment Fund</b>	
Adjustment for Cash Accounting of Expenditures (Local Assistance)	\$6,000,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	26,300,000
Accumulated Balance	11,641,000
<b>Total</b>	<b>\$43,941,000</b>

**Transportation Deferred Investment Fund (3093)**

The Transportation Deferred Investment Fund (TDIF) was established to receive loan repayments from the General Fund equal to the amounts that were not transferred from the General Fund to the TIF in 2003-04 and 2004-05, that would otherwise have been available for the transportation programs. The adjustment for cash accounting of expenditures reflects the difference between prior year accruals and actual expenditures/revenues on year-end financial reports. The expenditures are displayed on a cash basis as opposed to the more common budgetary legal basis. The proposed budget estimates that \$114,490,000 is available for distribution as follows:

<b>Transportation Deferred Investment Fund</b>	
Traffic Congestion Relief Fund	\$81,362,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	4,000,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	20,000,000
Public Transportation Account	2,054,000
Accumulated Balance	7,074,000
<b>Total</b>	<b>\$114,490,000</b>

**Transportation Debt Service Fund (3107)**

The TDSF was established for payment of debt service on bonds including debt service on bonds issued pursuant to the Clean Air and Transportation Improvement Act of 1990, the Passenger Rail and Clean Air Bond Act of 1990, the Seismic Retrofit Bond Act of 1996, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. As part of the Weight Fee Swap, weight fees deposited into the SHA are subsequently transferred to the TDSF. The proposed budget estimates that \$974,353,000 is available for distribution as follows:

<b>Transportation Debt Service Fund</b>	
General Obligation Bond Debt Service Expenditures	\$974,353,000
<b>Total</b>	<b>\$974,353,000</b>

**PROPOSITION 1B – HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006**

Proposition 1B, approved by voters in November 2006 authorized the issuance of \$19.925 billion in state general obligation bonds under the Bond Act. The objectives of the Bond Act are to improve transportation, air quality, and port security through the creation of new transportation accounts and programs, and by providing new funding for existing programs.

The proposed budget includes \$2.7 billion for Proposition 1B bond programs in 2013-14. The \$2.7 billion includes \$1.44 billion for Capital Outlay and \$594 million for Local Assistance. The Governor's Budget did not include new proposed Proposition 1B appropriations for the 2013-14 year. The Administration plans to submit new appropriations for Proposition 1B capital programs as part of the April Finance Letter process.



**Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund (6053)**

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund was established to fund the mobility, safety and air quality improvements described in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Bond funding of \$2,697,503,000 will be deposited into the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund, and distributed as follows:

<b>Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund</b>	
CA Ports Infrastructure, Security, and Air Quality Improvement Account	\$0
Corridor Mobility Improvement Account	316,813,000
Trade Corridors Improvement Fund	898,127,000
Transportation Facilities Account	232,665,000
Public Transportation Modernization, Improvement and Service Enhancement Account	582,246,000
State-Local Partnership Program Account	250,829,000
Local Bridge Seismic Retrofit Account	16,366,000
Highway-Railroad Crossing Safety Account	21,913,000
Highway Safety, Rehabilitation, and Preservation Account	95,054,000
Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account	0
State Route 99 Account	283,490,000
<b>Total</b>	<b>\$2,697,503,000</b>

**California Ports Infrastructure, Security, and Air Quality Improvement Account (6054)**

The California Ports Infrastructure, Security, and Air Quality Improvement Account was established to fund infrastructure improvements along trade corridors, emission reductions from activities related to the movement of freight along California's trade corridors, and port, harbor and ferry terminal security improvements. In FY 2013-14, no money has been allocated for distribution.

<b>California Ports Infrastructure, Security, and Air Quality Improvement Account</b>	
Air Resources Board	\$0
<b>Total</b>	<b>\$0</b>



**Corridor Mobility Improvement Account (6055)**

The Corridor Mobility Improvement Account was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are identified by Caltrans and regional or local transportation agencies and are allocated by the CTC.

<b>Corridor Mobility Improvement Account</b>	
State Operations	\$102,145,000
Local Assistance	\$0
Capital Outlay	\$214,459,000
California Transportation Commission	209,000
<b>Total</b>	<b>\$316,813,000</b>

**Trade Corridors Improvement Fund (6056)**

The Trade Corridors Improvement Fund was established to fund infrastructure improvements along federally-designated "Trade Corridors of National Significance" in the state and along other corridors within the state that have a high volume of freight movement, as determined by the CTC.

<b>Trade Corridors Improvement Fund</b>	
State Operations	\$4,122,000
Local Assistance	357,406,000
Capital Outlay	536,396,000
California Transportation Commission	203,000
<b>Total</b>	<b>\$898,127,000</b>

**Transportation Facilities Account (6058)**

The Transportation Facilities Account was established to augment funding for the State Transportation Improvement Program (STIP) (Government Code Section 14525.5).

<b>Transportation Facilities Account</b>	
State Operations	\$33,945,000
Local Assistance	4,431,000
Capital Outlay	194,102,000
California Transportation Commission	187,000
<b>Total</b>	<b>\$232,665,000</b>

**Public Transportation Modernization, Improvement and Service Enhancement Account (6059)**

The Public Transportation Modernization, Improvement and Service Enhancement Account was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.

<b>Public Transportation Modernization, Improvement &amp; Service Enhancement Acct</b>	
State Transit Assistance (Local Assistance)	\$479,717,000
State Operations	1,015,000
Capital Outlay	101,460,000
California Transportation Commission	54,000
<b>Total</b>	<b>\$582,246,000</b>

**State-Local Partnership Program Account (6060)**

The State-Local Partnership Program Account provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies.

<b>State-Local Partnership Program Account</b>	
State Operations	\$659,000
Local Assistance	171,188,000
Capital Outlay	78,886,000
California Transportation Commission	96,000
<b>Total</b>	<b>\$250,829,000</b>

**Local Bridge Seismic Retrofit Account (6062)**

The Local Bridge Seismic Retrofit Account was established to provide the required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by Caltrans.

<b>Local Bridge Seismic Retrofit Account</b>	
State Operations	\$1,579,000
Local Assistance	14,778,000
California Transportation Commission	9,000
<b>Total</b>	<b>\$16,366,000</b>



**Highway-Railroad Crossing Safety Account (6063)**

The Highway-Railroad Crossing Safety Account was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 through 2461) of Division Three of the Streets and Highways Code, except that a dollar-for-dollar matching of nonstate funds shall be provided for each project, and the limitation on maximum project cost in Streets and Highways Code Section 2454, subdivision (g) shall not be applicable to projects funded with this account.

<b>Highway-Railroad Crossing Safety Account</b>	
State Operations	\$444,000
Local Assistance	21,435,000
California Transportation Commission	34,000
<b>Total</b>	<b>\$21,913,000</b>

**Highway Safety, Rehabilitation, and Preservation Account (6064)**

The Highway Safety, Rehabilitation, and Preservation Account was established to fund the State Highway Operation and Protection Program (SHOPP), traffic light synchronization, and other technology-based projects, to improve safety, operations, and the effective capacity of local streets and roads. (Government Code Section 14526.5)

<b>Highway Safety, Rehabilitation, and Preservation Account</b>	
State Operations	\$7,772,000
Local Assistance	24,962,000
Capital Outlay	62,233,000
California Transportation Commission	87,000
<b>Total</b>	<b>\$95,054,000</b>

**Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account (6065)**

The Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account was established to fund improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration of roads, improving traffic flows, or increasing traffic safety. Usage of funds may include, but not be limited to, street and highway pavement maintenance; rehabilitation, installation, construction, and reconstruction of necessary associated facilities such as drainage and traffic control devices; maintenance, rehabilitation, installation, construction, and reconstruction of facilities that expand ridership on transit systems; safety projects to reduce fatalities; or as a local match to obtain state or federal transportation funds for similar purposes. In FY 2013-14, no money has been allocated for distribution.

<b>Local Streets &amp; Road Improvement, Congestion Relief, &amp; Traffic Safety Account</b>	
Department of Finance	\$0
<b>Total</b>	<b>\$0</b>



**State Route 99 Account (6072)**

The State Route 99 Account was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the State Route 99 corridor that traverses approximately 400 miles of the central valley of this state.

<b>State Route 99 Account</b>	
State Operations	\$31,902,000
Capital Outlay	251,588,000
<b>Total</b>	<b>\$283,490,000</b>

**PROPOSITION 1A – HIGH-SPEED PASSENGER TRAIN BOND FUND (6043)**

Proposition 1A, approved by voters in 2008, authorized \$9.95 billion in general obligation bonds to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. Of the total Proposition 1A bond funds, \$950 million is set aside for capital improvements to intercity, urban, and commuter rail that provide direct connectivity to high speed rail. The proposed budget includes \$198 million for the Proposition 1A bond program in 2013-14.

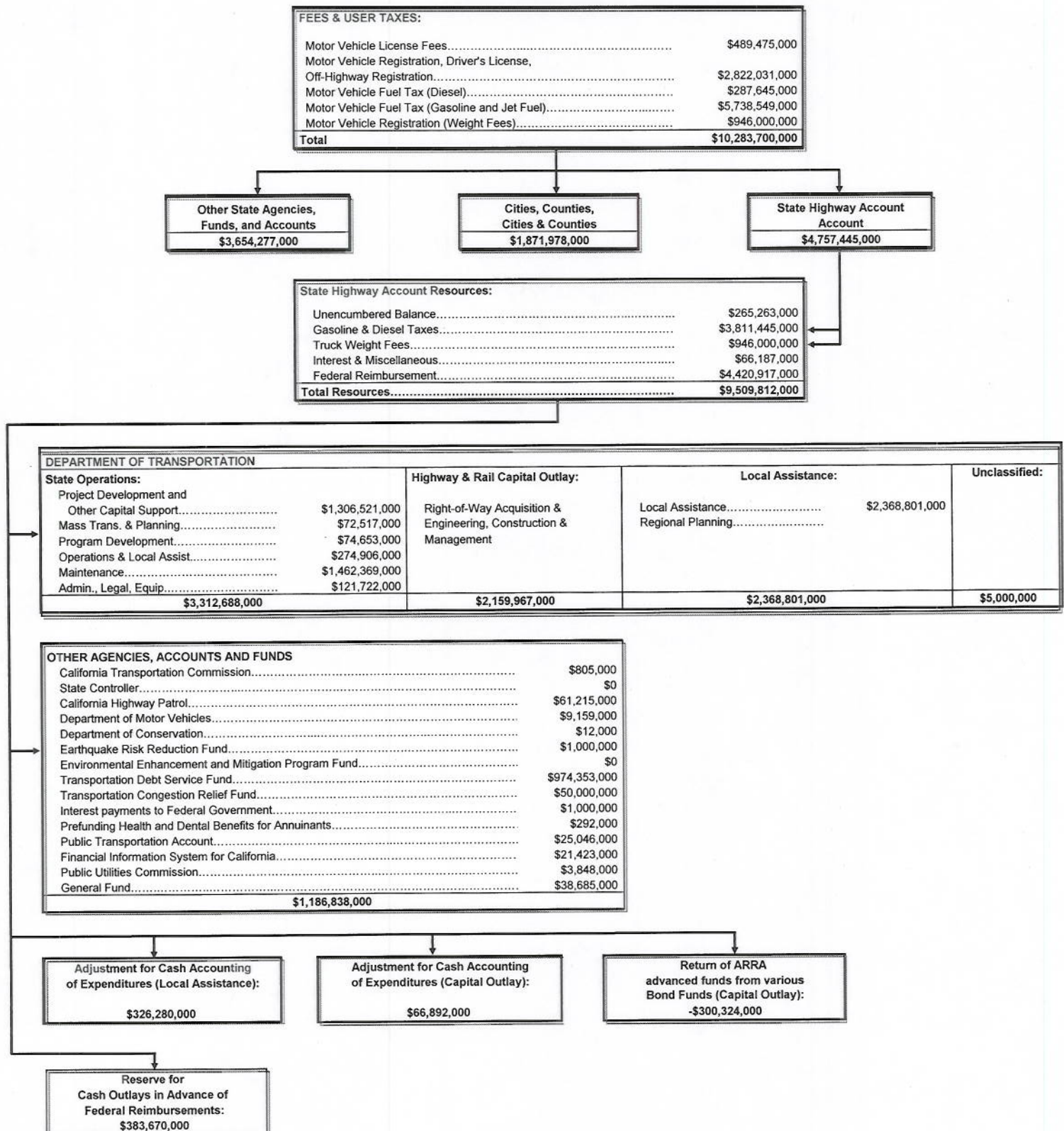
<b>High-Speed Passenger Train Bond Fund</b>	
State Operations	\$0
Local Assistance	66,750,000
Capital Outlay	10,188,000
High Speed Rail Authority	121,124,000
<b>Total</b>	<b>\$198,062,000</b>

Attachments:

- Chart A: "Source and Distribution of California State Motor Vehicle Fees and User Taxes"  
Summarizes the source and distribution of the state motor vehicle and user taxes, and that of the State Highway Account.
- Chart B: "Statutory Allocation of Transportation Funding"  
Shows sources and allocation of funding for the State Transportation Improvement Program (STIP) and other programs (non-STIP).
- Chart C: "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"  
Shows the budgetary flow of state motor vehicle fees and highway user taxes in California, along with other fund sources that constitute the financing available to Caltrans, as displayed in the FY 2012-13 proposed Governor's Budget.
- Chart D: "Distribution of California Sales Tax Revenue"  
Shows the distribution of sales tax revenues from gasoline and diesel fuel sales to the Public Transportation Account and the Transportation Investment Fund.
- Chart E: "Motor Vehicle License Fee Distribution"  
Shows the distribution of revenues from Motor Vehicle License Fees to the Motor Vehicle License Fee Account.
- Chart F: "Chart of Transportation Revenues"  
Shows the distribution of total transportation revenues from state motor vehicle fees and highway user taxes designated for transportation purposes.



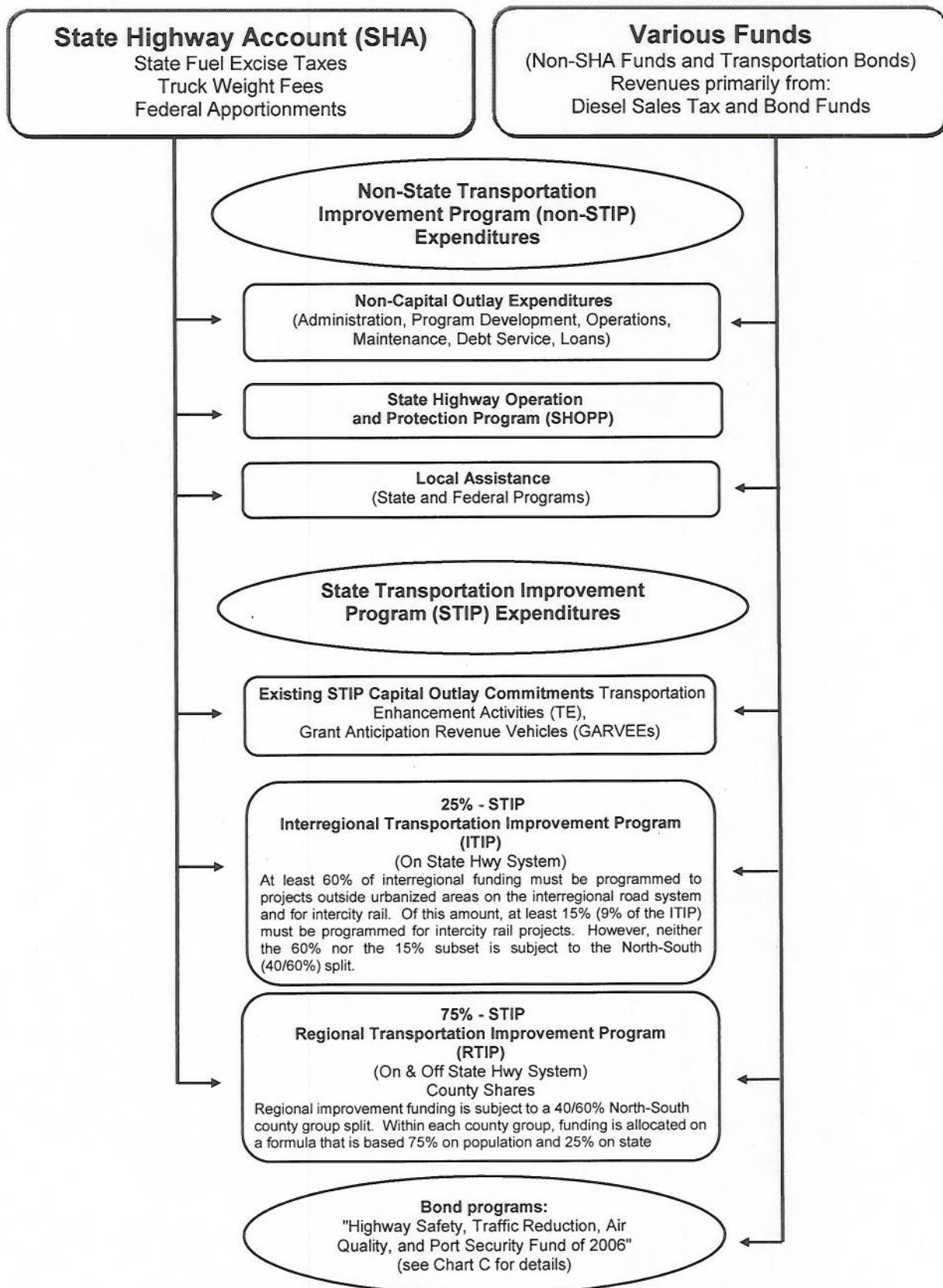
**2013-14 Fiscal Year  
SOURCE AND DISTRIBUTION OF CALIFORNIA  
STATE MOTOR VEHICLE FEES AND USER TAXES \***



\* Retail sales tax on Diesel is not included, see Chart D for sales tax.

**CHART A  
January 2013**

**2013-14 Fiscal Year  
STATUTORY ALLOCATION OF TRANSPORTATION FUNDING**





**2013-14 Fiscal Year**  
**DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE**  
Dollar amounts are approximate and based on 2013-14 Governor's Budget  
and 2013-14 Department of Finance sales tax forecasts

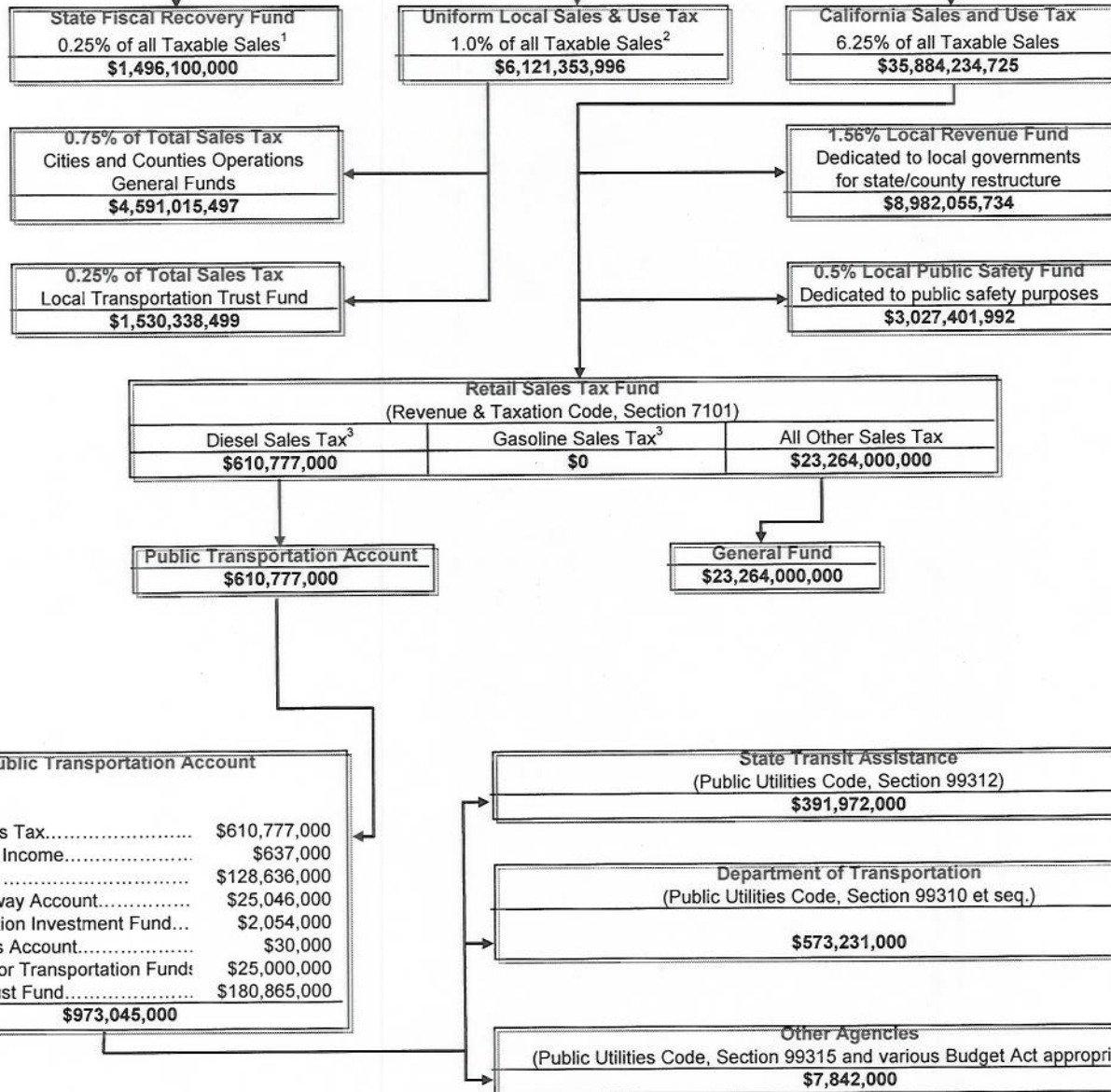
**TOTAL SALES TAX REVENUE**

7.50% of all Taxable Sales, Including Diesel

Note: State Sales tax is automatically reduced by 0.25% if the state reserve exceeds 3% of General Fund revenues excluding the revenues derived from the 0.25% sales and use tax rate.

(Revenue and Taxation Code, Sections 6051, 6051.15, 6051.2, 6051.3, 6051.5, 6201, 6201.15, 6201.2, 6201.3, 6201.5, 7203.1, and Section 35, Article XIII of State Constitution)

**\$43,501,688,721**



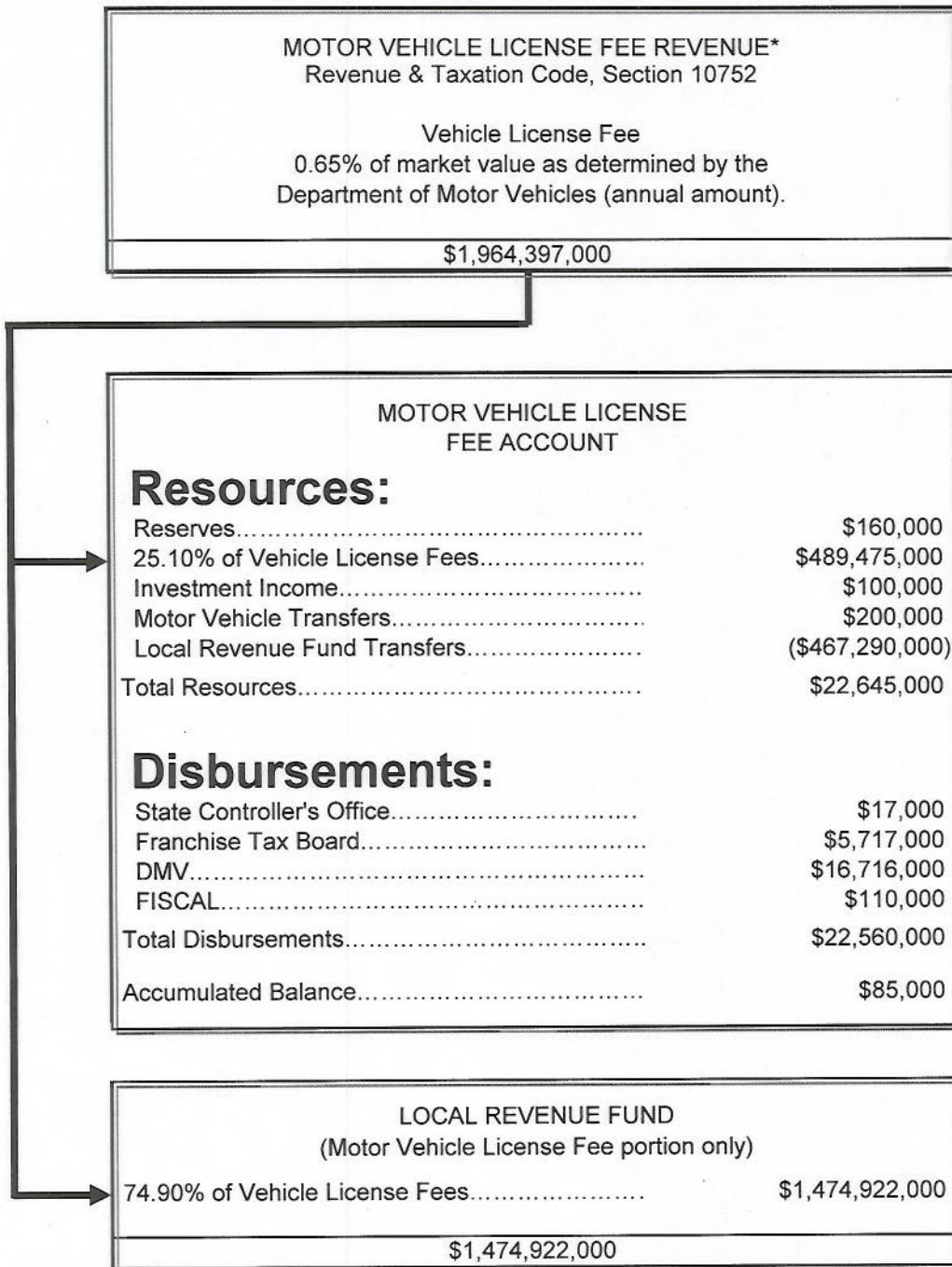
<sup>1</sup> Proposition 57, passed by California voters on March 2, 2004, decreased the general purpose sales and use tax rate for local governments from 1.0% to 0.75% to fund the State Fiscal Recovery Fund, and also provided that property tax revenues be used to offset, or recover, this 0.25% reduction in sales and use tax revenues. The property tax offset itself is not displayed in this chart.

<sup>2</sup> Counties may impose additional district taxes for special purposes (mass transit systems, schools, public safety projects, etc.).

<sup>3</sup> The Fuel Tax Swap enacted in March 2010 (AB X8 6), eliminated state sales tax on gasoline for transportation programs and increased sales tax on diesel fuel by 2.17% for 2012-13.

Note: All amounts are rounded independently - totals may not add to detail.

# **2013-14 Fiscal Year** **MOTOR VEHICLE LICENSE FEE DISTRIBUTION**



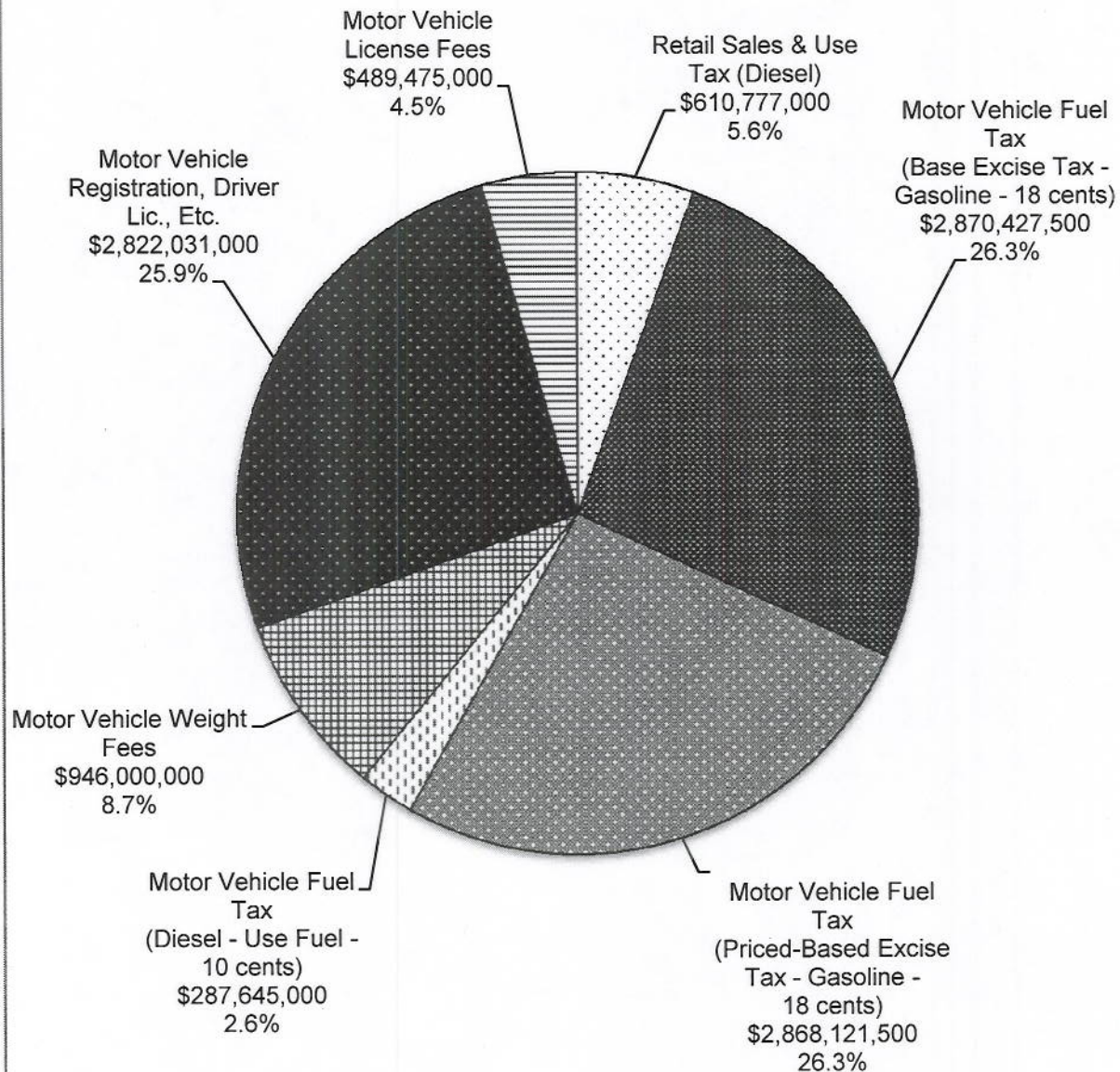
\* Distribution of Vehicle License Fee revenue revised to 25.10% / 74.90% (State / Local) split by Revenue & Taxation Code, Section 11001.5. Distribution is not exactly 25.10% / 74.90% split due to uncleared collections, timing, and refund activity.

Note: Chart C displays only the amount of License Fee Revenue that flows into the Motor Vehicle Account.



# **2013-14 FISCAL YEAR CHART OF REVENUES** **From California State Motor Vehicle Fees and Taxes**

**\$10.894B Total  
Revenues**



**Note:**

Does not include funding from the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006.